

### ***Caution: DRAFT FORM***

This is an advance proof copy of an IRS tax form. It is subject to change and OMB approval before it is officially released. You can check the scheduled release date on our web site ([www.irs.ustreas.gov](http://www.irs.ustreas.gov)).

If you have any comments on this draft form, you can submit them to us on our web site. Include the word DRAFT in your response. You may make comments anonymously, or you may include your name and e-mail address or phone number. We will be unable to respond to all comments due to the high volume we receive. However, we will carefully consider each suggestion. So that we can properly consider your comments, please send them to us within 30 days from the date the draft was posted.

**Like-Kind Exchanges**

(and nonrecognition of gain from conflict-of-interest sales)

▶ Attach to your tax return.

**2000**Attachment  
Sequence No. **109**

Name(s) shown on tax return

Identifying number

**Part I Information on the Like-Kind Exchange****Note:** If the property described on line 1 or line 2 is real or personal property located outside the United States, indicate the country.

- 1 Description of like-kind property given up ▶ .....
- 2 Description of like-kind property received ▶ .....
- |  |   |   |   |
|--|---|---|---|
| 3 Date like-kind property given up was originally acquired (month, day, year) . . . . .              | 3 | / | / |
| 4 Date you actually transferred your property to other party (month, day, year) . . . . .            | 4 | / | / |
| 5 Date like-kind property you received was identified (month, day, year). See instructions . . . . . | 5 | / | / |
| 6 Date you actually received the like-kind property from other party (month, day, year) . . . . .    | 6 | / | / |
- 7 Was the exchange made with a related party? If "Yes," complete Part II. If "No," go to Part III. See instructions.  
a ☐ Yes, in this tax year    b ☐ Yes, in a prior tax year    c ☐ No

**Part II Related Party Exchange Information**

- 8 Name of related party \_\_\_\_\_ Related party's identifying number \_\_\_\_\_  
Address (no., street, and apt., room, or suite no.) \_\_\_\_\_  
City or town, state, and ZIP code \_\_\_\_\_ Relationship to you \_\_\_\_\_
- 9 During this tax year (and before the date that is 2 years after the last transfer of property that was part of the exchange), did the related party sell or dispose of the like-kind property received from you in the exchange? ☐ Yes ☐ No
- 10 During this tax year (and before the date that is 2 years after the last transfer of property that was part of the exchange), did you sell or dispose of the like-kind property you received? . . . . . ☐ Yes ☐ No
- If both lines 9 and 10 are "No" and this is the year of the exchange, go to Part III. If both lines 9 and 10 are "No" and this is **not** the year of the exchange, stop here. If either line 9 or line 10 is "Yes," complete Part III and report on this year's tax return the deferred gain or (loss) from line 24 **unless** one of the exceptions on line 11 applies. See **Related party exchanges** in the instructions.
- 11 If one of the exceptions below applies to the disposition, check the applicable box:  
a ☐ The disposition was after the death of either of the related parties.  
b ☐ The disposition was an involuntary conversion, and the threat of conversion occurred after the exchange.  
c ☐ You can establish to the satisfaction of the IRS that neither the exchange nor the disposition had tax avoidance as its principal purpose. If this box is checked, attach an explanation. See instructions.

**Part III Realized Gain or (Loss), Recognized Gain, and Basis of Like-Kind Property Received****Caution:** If you transferred **and** received (a) more than one group of like-kind properties, or (b) cash or other (not like-kind) property, see **Reporting of multi-asset exchanges** in the instructions.**Note:** Complete lines 12 through 14 **only** if you gave up property that was not like-kind. Otherwise, go to line 15.

- |   |    |  |  |
|---|----|--|--|
| 12 Fair market value (FMV) of other property given up . . . . .   | 12 |  |  |
| 13 Adjusted basis of other property given up . . . . .  | 13 |  |  |
| 14 Gain or (loss) recognized on other property given up. Subtract line 13 from line 12. Report the gain or (loss) in the same manner as if the exchange had been a sale . . . . .             | 14 |  |  |
| 15 Cash received, FMV of other property received, plus net liabilities assumed by other party, reduced (but not below zero) by any exchange expenses you incurred. See instructions . . . . . | 15 |  |  |
| 16 FMV of like-kind property you received . . . . .   | 16 |  |  |
| 17 Add lines 15 and 16 . . . . .  | 17 |  |  |
| 18 Adjusted basis of like-kind property you gave up, net amounts paid to other party, plus any exchange expenses <b>not</b> used on line 15. See instructions . . . . .                       | 18 |  |  |
| 19 <b>Realized gain or (loss).</b> Subtract line 18 from line 17 . . . . .  | 19 |  |  |
| 20 Enter the smaller of line 15 or line 19, but not less than zero . . . . .  | 20 |  |  |
| 21 Ordinary income under recapture rules. Enter here and on Form 4797, line 16. See instructions . . . . .  | 21 |  |  |
| 22 Subtract line 21 from line 20. If zero or less, enter -0-. If more than zero, enter here and on Schedule D or Form 4797, unless the installment method applies. See instructions . . . . . | 22 |  |  |
| 23 <b>Recognized gain.</b> Add lines 21 and 22 . . . . .  | 23 |  |  |
| 24 Deferred gain or (loss). Subtract line 23 from line 19. If a related party exchange, see instructions . . . . .  | 24 |  |  |
| 25 <b>Basis of like-kind property received.</b> Subtract line 15 from the sum of lines 18 and 23 . . . . .  | 25 |  |  |

Name(s) shown on tax return. Do not enter name and social security number if shown on other side.

Your social security number

**Part IV Section 1043 Conflict-of-Interest Sales.** See instructions. Attach a copy of your certificate of divestiture.

**Note:** This part is to be used **only** by officers or employees of the executive branch of the Federal Government for reporting nonrecognition of gain under section 1043 on the sale of property to comply with the conflict-of-interest requirements. This part can be used only if the cost of the replacement property exceeds the basis of the divested property.

26	Description of divested property ▶			
27	Description of replacement property ▶			
28	Date divested property was sold (month, day, year)		28	/ /
29	Sales price of divested property. See instructions	29		
30	Basis of divested property	30		
31	<b>Realized gain.</b> Subtract line 30 from line 29		31	
32	Cost of replacement property purchased within 60 days after date of sale	32		
33	Subtract line 32 from line 29. If zero or less, enter -0-		33	
34	Ordinary income under recapture rules. Enter here and on Form 4797, line 10. See instructions		34	
35	Subtract line 34 from line 33. If zero or less, enter -0-. If more than zero, enter here and on Schedule D or Form 4797. See instructions		35	
36	<b>Recognized gain.</b> Add lines 34 and 35		36	
37	Deferred gain. Subtract line 36 from line 31		37	
38	<b>Basis of replacement property.</b> Subtract line 37 from line 32		38	

**Paperwork Reduction Act Notice.**

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form

displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Internal Revenue Code section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The

estimated average time is:

**Recordkeeping, 27 min.; Learning about the law or the form, 27 min.; Preparing the form, 1 hr., 2 min.; Copying, assembling, and sending the form to the IRS, 34 min.**

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed.